
High Liner Foods Supplier Code of Conduct

Social Compliance Guideline

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Introduction: General Overview and Intent of Program

High Liner Foods (HLF) is committed to ensuring that working conditions in HLF's supply chain are safe, workers are treated with respect and dignity. To this end, this Supplier Code of Conduct (SCOC) establishes guidelines for suppliers ("Denoting acceptable Standards") regarding the treatment of suppliers' workers. HLF works hard to meet its customer requirements. In accordance with our customer requirements, HLF requires each supplier to abide by this SCOC not only for its own business, but also to make best efforts to ensure that the Standards apply throughout their respective supply chains. Accordingly, for purposes of this SCOC, the term "supplier(s)" shall include all direct and indirect suppliers to HLF, with direct suppliers to HLF being responsible for SCOC compliance by their respective suppliers, agents, third party providers and/or subcontractors.

Responsibility is one of HLF's core values. Operating our business with high ethical standards is an essential part of our business and is key to our past and future success.

Our Company respects international social compliance principles aimed at promoting and protecting human rights. Recognized standards articulated in applicable national and international laws, including International Labour Organization (ILO) standards, were used as references in developing this SCOC. While we recognize there are differences in laws, customs and economic conditions around the world, where such applicable laws or standards are different from the requirements of this SCOC, HLF expects suppliers to adhere to the laws of the applicable jurisdiction.

High Liner Foods has developed this social compliance program to be applicable to all its suppliers. High Liner Foods is committed to working with suppliers to ensure we maintain a socially responsible supply chain, and accordingly we expect suppliers to comply with all of the obligations as outlined in this SCOC.

Part 1: Supplier Requirements and The Standards

Section A: Supplier Requirements

General Compliance: Ethical/ Social Standards

- Supplier agrees to comply with all applicable laws and regulations of the jurisdictions in which the suppliers carry on business. Where such applicable laws or standards are different from this SCOC, HLF expects suppliers to communicate these differences through the audit process. Supplier shall ensure through self-audits, third party audits or approved certifications programs that all Places of Business, including those of any subcontractor or other supplier, are in compliance with all applicable laws and regulations.
- Supplier agrees to comply with all of the obligations as outlined in this SCOC. High Liner Foods reserves the right to cancel any outstanding order, refuse any shipments or otherwise cease to do business with a supplier if supplier fails to comply with any terms of the Standards.
- Suppliers are subject to announced and unannounced audits and/or verification audits by HLF and/or its third party providers, agents and/or subcontractors. Supplier shall cooperate with such audits. Supplier shall provide all reasonable assistance for the safety and convenience of auditors and inspectors in the performance of audits including providing adequate working area at the production facilities. Any costs incurred in connection with such audits shall be the responsibility of the supplier.

Suppliers must disclose to HLF in writing all Places of Business, and any Significant Supplier of the supplier. Finished production shall not be subcontracted in whole or in part without prior written consent of HLF.

Section B: The Standards

Suppliers shall uphold the human rights of workers and treat them with the respect and dignity expected by the international community in all Places of Business.

High Liner Foods, working as a member on the National Fisheries Institutes Labor Practices Task Force has chosen to adopt the following standards as acceptable for meeting our SCOC (Supplier Code of Conduct) requirement for Social Compliance audits at Supplier commercial seafood processing, pre-processing, and aquaculture facilities.

- ASC Tilapia Standard; <http://www.asc-aqua.org>
- BAP Seafood Processing Standard; <http://www.gaalliance.org/bap/standards.php>

- BAP Aquaculture Facility Certification; <http://www.gaalliance.org/bap/standards.php>
- BSCI Code of Conduct; <https://www.bsci-intl.org/our-work/bsci-code-conduct>
- Costco Supplier Code of Conduct; http://cdn.costco.com.au/web/vendor/Costco_Supplier_Code_of_Conduct_2011.pdf
- ETI Base Code; <http://www.ethicaltrade.org/eti-base-code>
- SA8000; <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=937>
- SQF Ethical Sourcing Code; <http://www.sqfi.com/wp-content/uploads/Ethical-Sourcing-Module.pdf>
- Sedex Members Ethical Trade Audit (SMETA) report; <http://www.sedexglobal.com/ethical-audits/smeta/>
- UL-STR Responsible Sourcing Workplace Assessment (as utilized by Sysco); <http://www.ul.com>
- Wal-Mart Ethical Sourcing Standards for Suppliers <http://corporate.walmart.com/global-responsibility/ethical-sourcing/ethical-standards-resources>

This statement applies to those portions of the listed standards that pertain to worker rights and occupational safety and health, and does not apply to requirements related to food safety or sustainability.

Part 2: Audit Program

Section A: Audit Scope

Supplier shall ensure through third party audits or approved certifications programs that all factories, including subcontractors' factories, are in compliance with all laws and regulations.

Section B: The Audit

The audit is the evaluation process conducted by an auditor in order to determine compliance with the standards. Audits are conducted by either HLF internal auditors, or by HLF approved 3rd party audit firms (See appendix 2 for the list of approved firms).

The audit process will include the review and verification of the following:

- Opening meeting
- Factory tour
- Employee interviews
- Document review
- Closing meeting and signing of on-site report
- Reporting the audit to SEDEX

Suppliers will be responsible for all costs, fees and expenses relating to audits.

Section C: Frequency of Audits

New Domestic or Import supplier:

As part of the vendor approval process, an initial social compliance audit would be required.

Existing Domestic or Import Supplier:

Suppliers having successfully passed their initial audit “without conditions” shall be re-audited on a two year cycle.

Suppliers that receive an approved audit “with conditions” shall be re-audited annually, or more frequently as may be required in the circumstances..

High Liner Foods will terminate business with “Disapproved” suppliers. HLF may re enter business discussions with disapproved supplier(s) if sufficient evidence is presented that clearly demonstrates corrective action taken.

Section D: Validation of Audits

At any time announced or unannounced, HLF reserves the right to conduct a validation audit with either a HLF employee or an approved 3rd party auditor.

Section E: Assessment Results and Corrective Action

“Approved without Conditions(AWOC)” Follow-up Audit:

The regularly scheduled audit of a factory previously assessed a “Approved without Condition(AWOC)” assessment on it most recent audit. Factories with AWOC Assessments are audited every two years from the last audit date. The SEDEX system tracks all follow up and AWC Follow-up audits.

Criteria: Complies with all HLF social standards.

“Approved with Conditions(AWC)” Follow-up Audit:

The regularly scheduled audit of a factory previously assessed a “Approved with Condition(AWC)” assessment on it most recent audit. Factories with AWC Assessments are audited every year from the last audit date, or more frequently as may be required in the circumstances. The SEDEX system tracks all follow up and AWC Follow-up audits.

Criteria: No critical non-compliance observations noted during audit. Critical findings are labour violations included but not limited to slave, child, underage, forced, bonded, indentured, evidence of human trafficking or involuntary prison labour.

“Disapproved”:

Disapproved is the status assigned to suppliers/factories that do not comply with HLF’s Ethical Sourcing Program and its requirements. High Liner Foods will terminate business with “Disapproved” suppliers. HLF may re enter business discussions with disapproved supplier(s) if sufficient evidence is presented that clearly demonstrates corrective action taken.

Criteria: HLF will cease to conduct business when critical violations are noted or supplier fails to take necessary corrective action after an ‘AWC’ audit in a reasonable period of time.

“Critical findings/violations” means labour violations included but not limited to slave, child, underage, forced, bonded, indentured, evidence of human trafficking or involuntary prison labour.

Section F: New Factory On-Boarding

HLF has now incorporated the SCOC into its pre-existing Supplier Audit and Approval System (SAAS) for all new and existing suppliers.

Section G: Training & Development Expectations

HLF supports and encourages the development of effective management training systems. HLF expects suppliers to continuously develop and stay current to national and international regulations and best practices. Use of the 'SCOC' and other comparable standards would be considered a solid foundation for suppliers towards meeting these expectations.

Suppliers shall be held accountable to ensure that training of employees, where necessary, is maintained to adhere to the SCOC.

Part 3: Appendices

Appendix 1: Glossary

“Approved without Conditions(AWOC)” Follow-up Audit: The regularly scheduled audit of a factory previously assessed a “Approved without Condition(AWOC)” assessment on its most recent audit. Factories with AWOC Assessments are audited every two years from the last audit date. The SEDEX system tracks all follow up and AWC Follow-up audits.

“Approved with Conditions(AWC)” Follow-up Audit: The regularly scheduled audit of a factory previously assessed a “Approved with Condition(AWC)” assessment on its most recent audit. Factories with AWC Assessments are audited every year from the last audit date. The SEDEX system tracks all follow up and AWC Follow-up audits.

Assessment: The results of an audit that is evaluated by trained HLF staff and assigned an assessment rating which determines the various results regarding the frequency of future audits and the status of future production and shipments.

Audit: The evaluation process conducted by an auditor in order to determine what, if any, violations are present in the factory.

Auditor: The person(s) performing the audit that is evaluated by trained HLF staff and assigned an assessment rating which determines the various results regarding the frequency of future audits and the status of future productions and shipments.

Compliance: Following or meeting the obligations of a rule, agreement or guideline.

Continuous Improvement: Labour, health & safety, and environmental issues that can be improved in the factory for the well being of workers and/or betterment of its reputation or management practice.

Examples of continuous improvement include operating permits (if company has already applied for them), establishment of company policies on hiring practices, etc., records documentation, health & safety issues such as PPE, chemical storage, first aid, machine guarding, signage, etc.

Contract Workers: Workers who are hired for a specific period of time to conduct a certain kind of work as described and agreed to on the basis of a contract. In some parts of the world contract workers are taken into a second country under a labour contract that may not provide the workers with the same rights as the local workers. For example, the contract may prohibit the worker from quitting his/her job and seeking work at another facility.

“Disapproved”: Disapproved is the status assigned to suppliers/factories that do not comply with HLF’s Ethical Sourcing Program and its requirements. HLF may re-enter business discussions with disapproved supplier(s) if sufficient evidence is presented that clearly demonstrates corrective action taken.

Domestic Supplier: Domestic Suppliers are entities or individuals that sell domestic and/or imported merchandise (where supplier is the importer of record) to HLF in the local market.

Domestic Import Supplier: See Domestic Supplier above.

Export Processing Zones (EPZs): Free Trade Zones (FTZs) or Qualified Industrial Zones (QIZs) are government approved industrial areas that are exempt from some (or all) of the normal commercial laws of the country that they are in. Sometimes the country's minimum wage laws and/or other labour laws do not apply to workers in these zones; however, HLF's standards will apply.

Facility Site: The specific factory that is being assessed, including workplaces and all facility land, structures and other improvements on the land owned or leased by the facility.

Factory: The facility that will produce the merchandise for sale by HLF, Inc., including subcontracting facilities, fresh product packing sites, and packaging facilities. Factories are designated by suppliers and are audited by HLF auditors or third party service providers.

Follow-up Audit: Subsequent factory audit which was required as a result of an earlier audit assessment. The SEDEX system tracks all Follow-up Approved with Conditions (AWC) and Approved audits (AWOC).

HLF: Means High Liner Foods and its subsidiaries wherever located.

Human Trafficking: Human trafficking is a modern-day form of slavery and can be further defined as: The recruitment, harboring, transportation, provision, or obtaining of a person for labour (forced, slave, debt bondage) through the use of force, fraud or coercion. Migrant workers are particularly vulnerable to coercion. Human Trafficking affects many different economic sectors including agriculture, apparel and textiles, and food processing and packaging. The SCOC applies to migrant workers used by a supplier.

Initial Audit: First time a factory is audited for HLF production or removal from "inactive" status. The SEDEX system tracks all AWC follow up and AWOC Follow-up audits.

Investigation Assessment/Audit: An assessment or audit that takes place in response to an allegation received by HLF with the aim of verifying the conditions in the factory assessed to determine the validity of the allegation. All investigation assessments/audits are unannounced and generally conducted by trained HLF staff.

Material Safety Data Sheet ("MSDS"): Provides detailed information on each hazardous chemical contained in a chemical product, including the proportion of each chemical, and the potential hazardous effects, physical and chemical characteristics, and recommendations for appropriate human protective measures. An MSDS does not identify whether a material is a hazardous waste.

Non-compliance: Violation or failing to follow the obligations of a rule, law, regulation, agreement or guidelines.

Place of Business: Includes any location through which the supplier carries on business, including, without limitation, any office, Factory, Facility Site, or other fixed place of business, as well as any mobile place of business such as a fishing vessel or other vehicle.

Personal Protection Equipment (PPE): Safety equipment worn by employees to protect against physical hazards. Examples of PPE: eyewear, face shields, ear plugs, hard hats, gloves, foot protection.

Prison Labour: Prisoners are used as part of the work force. Under prison labour arrangements, prisoners may be brought to the facility, or the production may occur in the prison facilities. Although prisoners may be paid, because they often have no choice to refuse the work, this is often a kind of forced labour.

SEDEX: Application used by suppliers and HLF for most audit tracking purposes. Sedex, the Supplier Ethical Data Exchange, is a membership organization for businesses committed to Continuous Improvement of the ethical performance of their supply chains. Sedex provides a web based platform for sharing and viewing information regarding social/ ethical compliance audits and status of same. A simple membership allows the user to upload their current audit and share it with a customer. A more complex membership allows a member to share compliance audit information with customers who require this but also allow the same member to see the compliance audits of their entire supply chain.

Significant Supplier: includes any entity that is generally under contract and/or constitutes a greater than 10% portion of total operating expenditures, and/or any entity that is relied upon to provide essential goods and/or services to the supplier, as well as any organization which may reasonably pose material social, environmental and/or economic risk to the supplier and/or HLF.

Subcontracting/Subcontractor: When a supplier or contractor of HLF pays another company to do the work that HLF has paid the primary supplier/ contractor to provide, this is subcontracting. Ethical Sourcing audits will be conducted at subcontractor's factory if the factory is:

- Producing finished merchandise where substantial manufacturing occurs to render the product a finished article of commerce ready for consumption.
- Part/component of a product containing a HLF private label or proprietary brand logos
- Producing a major component of finished product that could be sold independently
- Further handling merchandise containing HLF private label or proprietary brand logos
- Producing packaging material containing HLF private label or proprietary brand logos
- It is the responsibility of the supplier to disclose all such subcontractors used for HLF merchandise

Supplier: A company, individual or organization that supplies merchandise or services to HLF. The term "supplier" is used to describe all direct and indirect suppliers of HLF, including . It also includes all manufacturing, Subcontracting and packaging facilities producing merchandise or raw materials for use or sale by HLF.

Unannounced Audit: A factory audit which is conducted without any prior notice to the supplier or the factory.

Verification Assessment/Audit: An assessment or audit that takes place in addition to the initial Assessment, with the aim of verifying that the information in the Supplier's declaration or an audit report issued by a third party accurately represents the conditions in the factory assessed.

Wages: Monetary compensation (money) paid to workers for producing goods or providing services.

Appendix 2: High Liner Foods Approved 3rd Party Audit Firms

SAI SA8000 was developed in 1997 to be a tool for promoting human rights in the workplace; it is designed to be verifiable and to include the key elements of an ethical workplace. Research showed that company codes of conduct varied greatly in both content and verifiability and there was a need for a standard which could be used internationally and verified in a consistent manner.

Social Accountability International (SAI) is a nonprofit organization dedicated to the development, implementation and oversight of voluntary verifiable social accountability standards. SAI is committed to ensuring that standards and the systems for verifying compliance with such standards are highly reputable and publicly accessible. Social Accountability International (SAI) works to improve workplaces and combat sweatshops through the expansion and further development of its first international workplace standard, SA8000, and the associated SA8000 verification system. SAI's social accountability system approach is based on capacity building, transparency, credibility and verification.

SAI Accredited Certification Body Contact Details

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